

1997-98 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

Joint Committee on  
Finance  
(JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR\_RCP\_pt01a
- 97hrAC-EdR\_RCP\_pt01b
- 97hrAC-EdR\_RCP\_pt02

➤ Appointments ... Appt

➤

➤ Clearinghouse Rules ... CRule

➤

➤ Committee Hearings ... CH

➤

➤ Committee Reports ... CR

➤

➤ Executive Sessions ... ES

➤

➤ Hearing Records ... HR

➤

➤ Miscellaneous ... Misc

➤ 97hr\_JC-Fi\_Misc\_pt07n\_DPR

➤ Record of Comm. Proceedings ... RCP

➤

Joint Finance

16.515 / 16.505

14 Day Passive  
Reviews

12/9/97 -

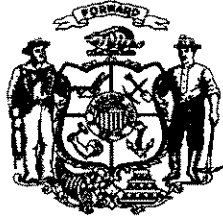
2/9/98

UWS Pay Plan  
12/2/97

# THE STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

119 MLK, Room LL1  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-8535



ASSEMBLY CHAIR  
**JOHN GARD**

315-N Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

December 10, 1997

President Katharine C. Lyall  
University of Wisconsin System  
Office of the President  
1720 Van Hise Hall, 1220 Linden Drive  
Madison, WI 53706

Dear President Lyall:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed your report, dated November 19, 1997, recommending a plan for allocating the 1997-98 and 1998-99 reductions to the base budget of the University of Wisconsin - Extension funded from general purpose revenue, as required under 1997 Act 27, Section 9153 (2t)(a and b).

No objections have been raised concerning this request. Accordingly, the request is approved.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Burke".

BRIAN BURKE  
Senate Chair

A handwritten signature in black ink, appearing to read "John G. Gard".

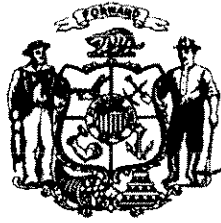
JOHN GARD  
Assembly Chair

cc: Members, Joint Committee on Finance  
Jay Huemmer, Department of Administration  
Robert Lang, Legislative Fiscal Bureau

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## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

TO: Members, Joint Committee on Finance

FROM: Senator Brian Burke  
Representative John Gard  
Co-Chairs, Joint Committee on Finance

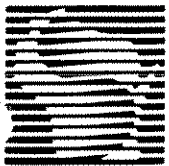
DATE: November 19, 1997

RE: 14-Day Passive Review of University of Wisconsin  
Extension Base Budget Reduction Plan

Attached is a copy of the UW Extension Base Budget Reduction Plan required by Wisconsin Act 27, Section 9153(2t)(a and b).

Please review the report and contact **Senator Burke** or **Representative Gard** no later than **Tuesday, December 9, 1997**, if you have any questions about this request or if you would like the committee to meet formally to review it.

BB:JG:dh



# The University of Wisconsin System

NOV 19 1997

Office of the President  
1720 Van Hise Hall, 1220 Linden Drive  
Madison, Wisconsin 53706  
(608) 262-2321 FAX (608) 262-3985

November 17, 1997

## MEMORANDUM

TO: Senator Brian Burke, Co-Chair, Joint Committee on Finance  
Representative John Gard, Co-Chair, Joint Committee on Finance

FROM: Katharine C. Lyall *K. Lyall*

RE: University of Wisconsin-Extension Base Budget Reduction Plan

Attached is the statutorily required UW Extension Base Budget Reduction Plan as directed by Wisconsin Act 27, Section 9153 (2t) (a and b). This document lays out the method for making the UW-Extension 1997-98 and 1998-99 base budget reductions and was approved by the Board of Regents at their November 7, 1997 meeting.

In planning these reductions, UW-Extension consulted UW System Chancellors regarding the allocation of the reductions and over-all formalization of the plan. Likewise, UW-Extension met with legislators during the budget process. From these discussions and the details outlined in the Act, the following principles were used to guide this plan: (1) minimization of the impact on local and federal funds, and (2) reduction of the effect on state and county outreach programming and avoidance of program disruptions wherever possible. Also, please note that the largest percentage reduction is taken from UW-Extension General Administration and Services.

Please contact me should you have any questions.

### Enclosure

cc: Members, Joint Committee on Finance  
Governor Tommy Thompson  
Secretary Mark Bugher  
Director Robert Lang  
Legislative Reference Bureau  
UW Extension Interim Chancellor Albert Beaver  
Vice Presidents

## **UNIVERSITY OF WISCONSIN - EXTENSION BASE BUDGET REDUCTION PLAN**

### **EXECUTIVE SUMMARY**

#### **BACKGROUND**

Wisconsin Act 27, Section 9153 (2t) (a and b) requires the development and submission of a plan for allocating the 1997-98 and 1998-99 reductions to the base budget of the University of Wisconsin - Extension funded from general purpose revenue. The Act stipulates that this plan should minimize the effect on local and federal funds received. This plan is to be submitted to the cochairpersons of the Joint Committee on Finance.

#### **REQUESTED ACTION**

Approval of resolution I.2.c. accepting the plan for transmittal to the Joint Committee on Finance.

#### **DISCUSSION AND RECOMMENDATIONS**

The biennial budget reduced general program revenue funding for UW-Extension by \$2,000,000 in 1997-98, and restores \$1,000,000 in 1998-99, for an on-going permanent base reduction of \$1,000,000. In addition, a base reduction of \$74,100 and 2 positions was required of the UW-Extension General Administration & Services Division.

In planning these reductions, each of the Chancellors from UW-Extension's campus partners was consulted regarding the allocation of a portion of the reduction to their institution and the over-all formalization of this plan. Likewise, meetings with legislators during the budget process provided general information and an understanding of intent to assist in guiding the reduction allocation planning. From these discussions and the details as outlined in the Act, the following guiding principles for this plan were developed:

- minimize the effect on local and federal funds received, and
- reduce the effect on state and county outreach programming and avoid program disruption wherever possible.

The largest percentage reduction is, in fact, taken from UW-Extension General Administration & Services. In addition, the reduction plan utilizes one-time carryforward balances to cover the one-time \$1,000,000 portion of the reduction in the 1997-98 fiscal year. In this way, units need to manage only the on-going reduction of \$1,000,000. This action further reduces program disruption. This on-going reduction has been allocated among the divisions/units following the above principles, with specific consideration given to the mission and programming within each division/unit.

#### **RELATED REGENT POLICIES**

The related Regent policies include those associated with the integration of the extension function as defined in UW System Academic Information Services 5.1 (Implementation of Regent Policy on Integration of the Extension Function), 5.2 (Statewide Planning, Communication and Coordination of Extension Programs) and 5.3 (Identification of the Extension Function).

## UNIVERSITY OF WISCONSIN - EXTENSION BASE BUDGET REDUCTION PLAN

### I. REPORTING REQUIREMENT:

Wisconsin Act 27, Section 9153 (2t) (a. and b.) requires the Board of Regents to develop a plan for allocating in the 1997-98 and 1998-99 fiscal years the reduction in the base budget of the University of Wisconsin-Extension funded from general purpose revenue. The Act stipulates that this plan should minimize the effect on local and federal funds received by the University of Wisconsin-Extension. Subsection (2t) (b.) requires the submission of this plan to the cochairpersons of the Joint Committee on Finance by November 27, 1997 (45 days after Act 27 was signed by the Governor). If the cochairpersons of the Committee do not notify the Board that the Committee has scheduled a meeting for the purpose of reviewing the plan within 14 working days after the date that the plan was submitted, the Board may implement the plan. If, within 14 working days after the date that the plan was submitted, the cochairpersons of the Committee notify the Board that the Committee has scheduled a meeting for the purpose of reviewing the plan, the Board may not implement the plan until the Committee approves the plan.

### II. THE PLAN:

The biennial budget reduced GPR funding for UW-Extension by \$2,000,000 in 1997-98, and restores \$1,000,000 in 1998-99, for an ongoing- permanent base reduction of \$1,000,000. In addition, a base reduction of \$74,100 and 2 positions was required of the UW-Extension General Administration and Services Division. The attached table on page 3, summarizes the recommended distribution of the budget reductions by UW-Extension division/unit. This recommendation, and the allocation of a portion of the reduction to UW-Extension's campus partners has been discussed with each of the Chancellors and is based on the following guiding principles, which have been discussed with UW System Administration and, by inclusion in this plan become the relevant annual budget decision rules:

- In an attempt to minimize the effect on programming and on the local and federal funds received by UW-Extension, and in order to avoid the program disruption created by requiring Extension units to cut \$2,000,000 in one year and restore \$1,000,000 the next year, UW-Extension carryforward balances will be used to cover the \$1,000,000 one-time portion of the reduction in the first year. In this way, units need to manage only the on-going reduction of \$1,000,000.
- Reductions are to be taken in such a way that opportunities for replacement of program revenue are maximized, while eliminating low priority programs.
- Continuing Education's allocation to the UW System institutions, in aggregate, will be proportional to their share of the continuing education GPR base.
- In order to preserve the Business Outreach match to federal Small Business Administration funds, Business programs' reduction will be taken from the GPR base of the Management Institutes at UW-Madison and UW-Milwaukee which are not part of the

**UNIVERSITY OF WISCONSIN - EXTENSION**  
**Summary of 1997-98 and 1998-99 GPR Base Budget Reduction**  
**By Division/Unit**

<u>Division/Unit</u>	<u>1996-97 Fund 104 GPR Base **</u>	<u>1997-98</u>		<u>1998-99 On-Going</u>	
		<u>Budget Reduction</u>	<u>% of Base</u>	<u>Budget Reduction</u>	<u>% of Base</u>
General Administration & Services	\$5,548,521	-\$247,000 *	4.5%	-\$247,000 *	4.5%
Continuing Education Extension	\$15,046,535	-\$473,200	3.1%	-\$473,200	3.1%
Cooperative Extension	\$19,914,599	-\$104,400	0.5%	-\$104,400	0.5%
Extension Communications	\$6,388,710	-\$200,800	3.1%	-\$200,800	3.1%
Wis. Geological & Natural History Survey	\$1,365,276	-\$7,900	0.6%	-\$7,900	0.6%
Business Programs	\$1,283,933	-\$40,800	3.1%	-\$40,800	3.1%
UW-Extension one-time balances		-\$1,000,000		0	
<b>TOTAL</b>	<b>\$49,547,574</b>	<b>-\$2,074,100</b>	<b>4.2%</b>	<b>-\$1,074,100</b>	<b>2.2%</b>

\* Includes the additional \$74,100 (2 FTE) base reduction. In addition, UW-Extension will take its share of the \$873,300 (biennial) base reduction to the UW-System's general program operations from General Administration & Services.

\*\* Includes estimated fringe benefit distribution.